



Angelina "Angel" Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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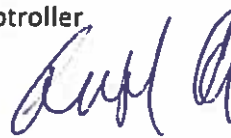
MEMORANDUM

TO: Elliott Falcione, Executive Director, Bradenton Area Convention and Visitors Bureau

FROM: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller

DATE: May 23, 2016

RE: Advertising Follow-up Audit



The Internal Audit Department has completed a follow-up audit of the Bradenton Area Convention and Visitors Bureau's (BACVB) advertising program based on the Clerk of the Circuit Court's Audit Report issued October 19, 2012. This follow-up audit consisted of reviewing and testing the management action plans included in the original report to ensure that corrective actions have been implemented by the BACVB. The scope of the follow-up audit included the six-month period ending November 30, 2015.

The BACVB is responsible for promoting Manatee County, both domestically and internationally as a travel destination, with funding provided by Manatee County through the Tourist Development Tax. The BACVB promotes Manatee County by using a comprehensive marketing plan that includes a cooperative advertising program. The cooperative advertising program provides area Tourism Industry Partners an opportunity to participate in various advertising options offered by the BACVB, at significantly reduced costs. All revenues generated through cooperative advertising reduce the overall cost of operations for the BACVB's Tourist Development Division.

We are pleased with the corrective actions taken by management since the original audit. The BACVB has finalized its advertising policies and procedures. Additionally, the BACVB is issuing cooperative advertising invoices earlier, resulting in timelier payments from Tourism Industry Partners. The BACVB is also noting the date that payments are received and depositing these payments timely.

During the March 16, 2016 exit meeting, and a subsequent meeting with Purchasing staff on April 19, 2016, your management staff, together with the Internal Audit Department, discussed one area where further consideration is recommended.

PURCHASING PROCEDURES

The BACVB's advertising purchases are unique in that they are, by nature, noncompetitive purchases. Each advertisement is placed in a specific print publication or online/digital media designed to reach a desired target market. These publications or digital media are selected by analyzing Manatee County's visitor and market segments as well as the circulation, costs, and content of available publications. This research results in the creation of the BACVB's biennial marketing plan, which contains the print and online media/publications where it plans to advertise and the associated budgeted amounts.

"Pride in Service with a Vision to the Future"

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

In this follow-up audit, we determined whether the BACVB has been properly documenting justification for noncompetitive purchases greater than \$25,000, in accordance with the Manatee County Purchasing Division's Administrative Standards and Procedures, and Chapter 2-26 of the Manatee County Code (Manatee County Procurement Code), as findings were identified for this category of purchases in the original audit. We reviewed all 23 advertising expenditures made during the audit period that exceeded \$25,000. We found that 22 of the 23 expenditures were either payments made through contracts approved by the Board of County Commissioners, or were processed through the Purchasing Division using a purchase order, and according to the Purchasing Division, all had adequate documentation to support the noncompetitive/sole source purchases. However, the other advertising expenditure reviewed did not have any supporting documentation to justify the reason it was a noncompetitive purchase. This purchase was expensed directly by the Department by using an audit slip, rather than through the Purchasing Division via a purchase order. Through interviews with BACVB staff, it was further noted that justification for noncompetitive purchases has not been documented for any advertising purchases made directly by the Department when using an audit slip, regardless of the dollar amount of the purchases. The BACVB currently has an advertising insertion order process in place to pay these advertising expenses in a systematic process, but in order to comply with purchasing policies, further documentation is required.

Management Action Plan:

BACVB management will begin documenting justification for all noncompetitive purchases directly on the advertising insertion orders included with the advertisement purchase documentation, or on separate internal forms, regardless of the method used to make the purchases (audit slip, purchase order). This documentation will include an explanation of why a specific advertisement and vendor were selected, and that the vendor was the only practical source for the purchase.

Implementation is anticipated by October 1, 2016.

We would like to thank you and your staff for the attention given to the audit findings and the cooperation given to the Internal Audit staff. Another follow-up audit will be scheduled after the implementation of the Management Action Plan.

AMC/LJS/JEB

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court